



General Assembly

February Session, 2014

***Raised Bill No. 5433***

LCO No. 1885



Referred to Committee on GOVERNMENT ADMINISTRATION  
AND ELECTIONS

Introduced by:  
(GAE)

***AN ACT ESTABLISHING AN OFFICE OF INSPECTOR GENERAL.***

Be it enacted by the Senate and House of Representatives in General  
Assembly convened:

1       Section 1. (NEW) (*Effective October 1, 2014*) (a) For purposes of this  
2       section and sections 2 to 4, inclusive, of this act, "governmental agency"  
3       means a state agency or a quasi-public agency and "state agency" and  
4       "quasi-public agency" have the same meanings as provided in section  
5       1-79 of the general statutes.

6       (b) There is established an Office of the Inspector General that shall  
7       act to detect and prevent fraud, waste and abuse in the management of  
8       state personnel, in the use and disposition of state property, and in the  
9       collection, disbursement and expenditure of state and federal funds  
10      administered by governmental agencies. The Office of the Inspector  
11      General shall also evaluate the economy, efficiency and effectiveness of  
12      governmental agencies in the performance of their delegated duties  
13      and functions.

14      (c) The Inspector General shall be appointed by the Auditors of

15 Public Accounts in accordance with this subsection. A committee  
16 consisting of the president pro tempore of the Senate, the speaker of  
17 the House of Representatives, the minority leaders of the Senate and  
18 the House of Representatives, the cochairpersons and ranking  
19 members of the joint standing committee of the General Assembly  
20 having cognizance of matters relating to government administration  
21 and the cochairpersons of the Legislative Program Review and  
22 Investigations Committee shall submit to the Auditors of Public  
23 Accounts the names of three candidates for appointment to the  
24 position of Inspector General. The Auditors of Public Accounts shall  
25 appoint one of such candidates to be Inspector General with the advice  
26 and consent of the General Assembly. The auditors, not later than  
27 ninety days after the submission to them by the committee of the  
28 candidates for appointment, shall make such appointment, provided if  
29 the auditors fail to make such appointment within such period, the  
30 committee by majority vote shall make such appointment. The  
31 Inspector General shall be appointed on the basis of integrity and  
32 competence demonstrated in appropriate fields. The Inspector General  
33 shall hold office for a term of five years and until the appointment of a  
34 successor, unless sooner removed for just cause by the Auditors of  
35 Public Accounts. Such cause may include, but not be limited to,  
36 material neglect of duty, gross misconduct or conviction of a felony.

37 (d) The Office of the Inspector General shall be an independent  
38 office within the Joint Committee on Legislative Management for  
39 administrative purposes only.

40 Sec. 2. (NEW) (*Effective October 1, 2014*) (a) The Inspector General  
41 shall establish, within available appropriations, a system for the  
42 coordination of efforts between the Office of the Inspector General and  
43 officials performing similar duties and internal auditing functions  
44 within the various governmental agencies. Such system may include  
45 continuing training programs for professional development, the  
46 adoption of standard guidelines and procedures and the organization  
47 of a communications network within the system. The internal auditors

48 and support staff within the agencies shall remain assigned to such  
49 agencies but shall have their annual internal audit program approved  
50 by the Inspector General.

51 (b) The Inspector General may adopt regulations, in accordance  
52 with chapter 54 of the general statutes, to implement the provisions of  
53 sections 1 to 4, inclusive, of this act. The Inspector General may employ  
54 necessary staff, within available appropriations.

55 Sec. 3. (NEW) (*Effective October 1, 2014*) (a) The Inspector General  
56 shall: (1) Conduct preemptive inspections, inquiries and investigations  
57 relating to programs and operations involving the collection,  
58 administration or expenditure of state funds, the use or disposition of  
59 state owned or leased property or the management practices and  
60 regulatory or statutory compliance of state agencies; (2) have access to  
61 all records, data and material maintained by or available to any  
62 governmental agency; and (3) have access to all records, data and  
63 material maintained by or available to any person or organization  
64 involved in the collection, expenditure or administration of state  
65 funds, control of state owned or leased property or management of  
66 state employees.

67 (b) The Inspector General may apply to the Superior Court for a  
68 subpoena to compel the attendance of such witnesses or the  
69 production of such books, papers, records or documents as may be  
70 necessary in order to obtain information that is not otherwise available  
71 and that is needed in the performance of the Inspector General's  
72 duties. The court shall, before issuing such subpoena, provide  
73 adequate opportunity for the Inspector General and the party against  
74 whom the subpoena is requested to be heard. No such subpoena shall  
75 be issued unless the court certifies that the attendance of such witness  
76 or the production of such books, papers, records or documents is  
77 reasonably necessary for the performance of the Inspector General's  
78 duties and that the Inspector General has made reasonable efforts to  
79 secure such attendance or such books, papers, records or documents

80 without recourse to compulsory process.

81       Sec. 4. (NEW) (*Effective October 1, 2014*) (a) The Inspector General  
82 may make recommendations to the Governor, the General Assembly  
83 and the Legislative Program Review and Investigations Committee  
84 concerning the prevention and detection of fraud, waste and abuse,  
85 including recommendations concerning legislation and regulations or  
86 the coordination of preventive measures by governmental and  
87 nongovernmental entities. The Inspector General may assist or request  
88 assistance from any governmental agency, state employee or person or  
89 organization collecting or expending state funds or controlling state  
90 owned or leased property.

91       (b) The Inspector General shall report findings of fact along with  
92 any recommendations: (1) To the Chief State's Attorney or the Office of  
93 State Ethics, when the Inspector General has a reasonable belief that a  
94 state law has been or is being violated; (2) to the Attorney General,  
95 when the Inspector General has a reasonable belief that civil recovery  
96 proceedings are appropriate; and (3) to the United States Attorney,  
97 when the Inspector General has a reasonable belief that a federal law  
98 has been or is being violated or when civil recovery is appropriate.

99       (c) On or before October 31, 2015, and annually thereafter, the  
100 Inspector General shall submit, in accordance with the provisions of  
101 section 11-4a of the general statutes, a report concerning the activities  
102 of the Office of the Inspector General to the Governor, the joint  
103 standing committees of the General Assembly having cognizance of  
104 matters relating to appropriations and government administration and  
105 the Legislative Program Review and Investigations Committee. The  
106 Inspector General may make such other reports as the Inspector  
107 General deems appropriate.

108       (d) All records of the Office of the Inspector General relating to  
109 actual or potential inspections, or inquiries or investigations shall be  
110 confidential and shall not be public records under the Freedom of

111 Information Act, as defined in section 1-200 of the general statutes,  
112 until such time as all such inspections, inquiries or investigations have  
113 been concluded and all criminal and civil actions arising from the  
114 records have been finally adjudicated or otherwise settled or to such  
115 extent as may be deemed appropriate by the Inspector General in the  
116 performance of the Inspector General's duties, whichever is earlier.  
117 Records that are otherwise public documents shall not be deemed  
118 confidential solely because they have been transferred to the custody  
119 of the Inspector General. Where there are statutory requirements of  
120 confidentiality with regard to such records, books, data, files and other  
121 material printed or otherwise, maintained by a governmental agency,  
122 such requirements of confidentiality and penalties for the violation of  
123 such requirements shall apply to the Inspector General and to the  
124 Inspector General's employees in the same manner and to the same  
125 extent as such requirements of confidentiality and penalties apply to  
126 such governmental agency.

127 Sec. 5. Subsection (e) of section 2-90 of the 2014 supplement to the  
128 general statutes is repealed and the following is substituted in lieu  
129 thereof (*Effective October 1, 2014*):

130 (e) If the Auditors of Public Accounts discover, or if it should come  
131 to their knowledge, that any unauthorized, illegal, irregular or unsafe  
132 handling or expenditure of state funds or any breakdown in the  
133 safekeeping of any resources of the state has occurred or is  
134 contemplated, they shall forthwith present the facts to the Governor,  
135 the State Comptroller, the clerk of each house of the General Assembly,  
136 the Inspector General, the Legislative Program Review and  
137 Investigations Committee and the Attorney General. Any Auditor of  
138 Public Accounts neglecting to make such a report, or any agent of the  
139 auditors neglecting to report to the Auditors of Public Accounts any  
140 such matter discovered by [him] such auditor or agent or coming to his  
141 or her knowledge shall be fined not more than one hundred dollars or  
142 imprisoned not more than six months or both.

143       Sec. 6. Section 4-61dd of the general statutes is repealed and the  
144       following is substituted in lieu thereof (*Effective October 1, 2014*):

145       (a) Any person having knowledge of any matter involving  
146       corruption, unethical practices, violation of state laws or regulations,  
147       mismanagement, gross waste of funds, abuse of authority or danger to  
148       the public safety occurring in any state department or agency or any  
149       quasi-public agency, as defined in section 1-120, or any person having  
150       knowledge of any matter involving corruption, violation of state or  
151       federal laws or regulations, gross waste of funds, abuse of authority or  
152       danger to the public safety occurring in any large state contract, may  
153       transmit all facts and information in such person's possession  
154       concerning such matter to the [Auditors of Public Accounts. The  
155       Auditors of Public Accounts] Inspector General. The Inspector General  
156       shall review such matter and report [their] his or her findings and any  
157       recommendations to the Attorney General. Upon receiving such a  
158       report, the Attorney General shall make such investigation as the  
159       Attorney General deems proper regarding such report and any other  
160       information that may be reasonably derived from such report. Prior to  
161       conducting an investigation of any information that may be reasonably  
162       derived from such report, the Attorney General shall consult with the  
163       [Auditors of Public Accounts] Inspector General concerning the  
164       relationship of such additional information to the report that has been  
165       issued pursuant to this subsection. Any such subsequent investigation  
166       deemed appropriate by the Attorney General shall only be conducted  
167       with the concurrence and assistance of the [Auditors of Public  
168       Accounts] Inspector General. At the request of the Attorney General or  
169       on [their] his or her own initiative, the [auditors] Inspector General  
170       shall assist in the investigation.

171       (b) (1) The [Auditors of Public Accounts] Inspector General may  
172       reject any complaint received pursuant to subsection (a) of this section  
173       if the [Auditors of Public Accounts determine] Inspector General  
174       determines one or more of the following:

175 (A) There are other available remedies that the complainant can  
176 reasonably be expected to pursue;

177 (B) The complaint is better suited for investigation or enforcement  
178 by another state agency;

179 (C) The complaint is trivial, frivolous, vexatious or not made in  
180 good faith;

181 (D) Other complaints have greater priority in terms of serving the  
182 public good;

183 (E) The complaint is not timely or is too long delayed to justify  
184 further investigation; or

185 (F) The complaint could be handled more appropriately as part of  
186 an ongoing or scheduled regular audit.

187 (2) If the [Auditors of Public Accounts reject] Inspector General  
188 rejects a complaint pursuant to subdivision (1) of this subsection, the  
189 [Auditors of Public Accounts] Inspector General shall provide a report  
190 to the Attorney General setting out the basis for the rejection.

191 (3) If at any time the [Auditors of Public Accounts determine]  
192 Inspector General determines that a complaint is more appropriately  
193 investigated by another state agency, the [Auditors of Public Accounts]  
194 Inspector General shall refer the complaint to such agency. The  
195 investigating agency shall provide a status report regarding the  
196 referred complaint to the [Auditors of Public Accounts] Inspector  
197 General upon request.

198 (c) The Attorney General may summon witnesses, require the  
199 production of any necessary books, papers or other documents and  
200 administer oaths to witnesses, where necessary, for the purpose of an  
201 investigation pursuant to this section or for the purpose of  
202 investigating a suspected violation of subsection (a) of section 17b-301b  
203 until such time as the Attorney General files a civil action pursuant to

204 section 17b-301c. Upon the conclusion of the investigation, the  
205 Attorney General shall where necessary, report any findings to the  
206 Governor, or in matters involving criminal activity, to the Chief State's  
207 Attorney. In addition to the exempt records provision of section 1-210,  
208 the [Auditors of Public Accounts] Inspector General and the Attorney  
209 General shall not, after receipt of any information from a person under  
210 the provisions of this section or sections 17b-301c to 17b-301g,  
211 inclusive, disclose the identity of such person without such person's  
212 consent unless the [Auditors of Public Accounts] Inspector General or  
213 the Attorney General determines that such disclosure is unavoidable,  
214 and may withhold records of such investigation, during the pendency  
215 of the investigation.

216 (d) (1) No state officer or employee, as defined in section 4-141, no  
217 quasi-public agency officer or employee, no officer or employee of a  
218 large state contractor and no appointing authority shall take or  
219 threaten to take any personnel action against any state or quasi-public  
220 agency employee or any employee of a large state contractor in  
221 retaliation for (A) such employee's or contractor's disclosure of  
222 information to (i) an employee of the [Auditors of Public Accounts]  
223 Inspector General or the Attorney General under the provisions of  
224 subsection (a) of this section; (ii) an employee of the state agency or  
225 quasi-public agency where such state officer or employee is employed;  
226 (iii) an employee of a state agency pursuant to a mandated reporter  
227 statute or pursuant to subsection (b) of section 17a-28; or (iv) in the  
228 case of a large state contractor, an employee of the contracting state  
229 agency concerning information involving the large state contract; or  
230 (B) such employee's testimony or assistance in any proceeding under  
231 this section.

232 (2) (A) Not later than ninety days after learning of the specific  
233 incident giving rise to a claim that a personnel action has been  
234 threatened or has occurred in violation of subdivision (1) of this  
235 subsection, a state or quasi-public agency employee, an employee of a  
236 large state contractor or the employee's attorney may file a complaint



237 against the state agency, quasi-public agency, large state contractor or  
238 appointing authority concerning such personnel action with the Chief  
239 Human Rights Referee designated under section 46a-57. Such  
240 complaint may be amended if an additional incident giving rise to a  
241 claim under this subdivision occurs subsequent to the filing of the  
242 original complaint. The Chief Human Rights Referee shall assign the  
243 complaint to a human rights referee appointed under section 46a-57,  
244 who shall conduct a hearing and issue a decision concerning whether  
245 the officer or employee taking or threatening to take the personnel  
246 action violated any provision of this section. The human rights referee  
247 may order a state agency or quasi-public agency to produce (i) an  
248 employee of such agency or quasi-public agency to testify as a witness  
249 in any proceeding under this subdivision, or (ii) books, papers or other  
250 documents relevant to the complaint, without issuing a subpoena. If  
251 such agency or quasi-public agency fails to produce such witness,  
252 books, papers or documents, not later than thirty days after such order,  
253 the human rights referee may consider such failure as supporting  
254 evidence for the complainant. If, after the hearing, the human rights  
255 referee finds a violation, the referee may award the aggrieved  
256 employee reinstatement to the employee's former position, back pay  
257 and reestablishment of any employee benefits for which the employee  
258 would otherwise have been eligible if such violation had not occurred,  
259 reasonable attorneys' fees, and any other damages. For the purposes of  
260 this subsection, such human rights referee shall act as an independent  
261 hearing officer. The decision of a human rights referee under this  
262 subsection may be appealed by any person who was a party at such  
263 hearing, in accordance with the provisions of section 4-183.

264 (B) The Chief Human Rights Referee shall adopt regulations, in  
265 accordance with the provisions of chapter 54, establishing the  
266 procedure for filing complaints and noticing and conducting hearings  
267 under subparagraph (A) of this subdivision.

268 (3) As an alternative to the provisions of subdivision (2) of this  
269 subsection: (A) A state or quasi-public agency employee who alleges

270 that a personnel action has been threatened or taken may file an appeal  
271 not later than ninety days after learning of the specific incident giving  
272 rise to such claim with the Employees' Review Board under section 5-  
273 202, or, in the case of a state or quasi-public agency employee covered  
274 by a collective bargaining contract, in accordance with the procedure  
275 provided by such contract; or (B) an employee of a large state  
276 contractor alleging that such action has been threatened or taken may,  
277 after exhausting all available administrative remedies, bring a civil  
278 action in accordance with the provisions of subsection (c) of section 31-  
279 51m.

280 (4) In any proceeding under subdivision (2) or (3) of this subsection  
281 concerning a personnel action taken or threatened against any state or  
282 quasi-public agency employee or any employee of a large state  
283 contractor, which personnel action occurs not later than two years after  
284 the employee first transmits facts and information concerning a matter  
285 under subsection (a) of this section or discloses information under  
286 subdivision (1) of this subsection to the [Auditors of Public Accounts]  
287 Inspector General, the Attorney General or an employee of a state  
288 agency or quasi-public agency, as applicable, there shall be a  
289 rebuttable presumption that the personnel action is in retaliation for  
290 the action taken by the employee under subsection (a) of this section or  
291 subdivision (1) of this subsection.

292 (5) If a state officer or employee, as defined in section 4-141, a quasi-  
293 public agency officer or employee, an officer or employee of a large  
294 state contractor or an appointing authority takes or threatens to take  
295 any action to impede, fail to renew or cancel a contract between a state  
296 agency and a large state contractor, or between a large state contractor  
297 and its subcontractor, in retaliation for the disclosure of information  
298 pursuant to subsection (a) of this section or subdivision (1) of this  
299 subsection to any agency listed in subdivision (1) of this subsection,  
300 such affected agency, contractor or subcontractor may, not later than  
301 ninety days after learning of such action, threat or failure to renew,  
302 bring a civil action in the superior court for the judicial district of

303 Hartford to recover damages, attorney's fees and costs.

304 (e) Any employee of a state or quasi-public agency or large state  
305 contractor, who is found by the [Auditors of Public Accounts]  
306 Inspector General, the Attorney General, a human rights referee or the  
307 Employees' Review Board to have knowingly and maliciously made  
308 false charges under subsection (a) of this section, shall be subject to  
309 disciplinary action by such employee's appointing authority up to and  
310 including dismissal. In the case of a state or quasi-public agency  
311 employee, such action shall be subject to appeal to the Employees'  
312 Review Board in accordance with section 5-202, or in the case of state  
313 or quasi-public agency employees included in collective bargaining  
314 contracts, the procedure provided by such contracts.

315 (f) On or before September first, annually, the [Auditors of Public  
316 Accounts] Inspector General shall submit, in accordance with the  
317 provisions of section 11-4a, to the clerk of each house of the General  
318 Assembly a report indicating the number of matters for which facts  
319 and information were transmitted to the [auditors] Inspector General  
320 pursuant to this section during the preceding state fiscal year and the  
321 disposition of each such matter.

322 (g) Each contract between a state or quasi-public agency and a large  
323 state contractor shall provide that, if an officer, employee or  
324 appointing authority of a large state contractor takes or threatens to  
325 take any personnel action against any employee of the contractor in  
326 retaliation for such employee's disclosure of information to any  
327 employee of the contracting state or quasi-public agency, [or] the  
328 [Auditors of Public Accounts] Inspector General or the Attorney  
329 General under the provisions of subsection (a) or subdivision (1) of  
330 subsection (d) of this section, the contractor shall be liable for a civil  
331 penalty of not more than five thousand dollars for each offense, up to a  
332 maximum of twenty per cent of the value of the contract. Each  
333 violation shall be a separate and distinct offense and in the case of a  
334 continuing violation each calendar day's continuance of the violation

335 shall be deemed to be a separate and distinct offense. The executive  
336 head of the state or quasi-public agency may request the Attorney  
337 General to bring a civil action in the superior court for the judicial  
338 district of Hartford to seek imposition and recovery of such civil  
339 penalty.

340 (h) Each state agency or quasi-public agency shall post a notice of  
341 the provisions of this section relating to state employees and quasi-  
342 public agency employees in a conspicuous place that is readily  
343 available for viewing by employees of such agency or quasi-public  
344 agency. Each large state contractor shall post a notice of the provisions  
345 of this section relating to large state contractors in a conspicuous place  
346 which is readily available for viewing by the employees of the  
347 contractor.

348 (i) No person who, in good faith, discloses information in  
349 accordance with the provisions of this section shall be liable for any  
350 civil damages resulting from such good faith disclosure.

351 (j) As used in this section:

352 (1) "Large state contract" means a contract between an entity and a  
353 state or quasi-public agency, having a value of five million dollars or  
354 more; and

355 (2) "Large state contractor" means an entity that has entered into a  
356 large state contract with a state or quasi-public agency.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2014</i>	New section
Sec. 2	<i>October 1, 2014</i>	New section
Sec. 3	<i>October 1, 2014</i>	New section
Sec. 4	<i>October 1, 2014</i>	New section
Sec. 5	<i>October 1, 2014</i>	2-90(e)
Sec. 6	<i>October 1, 2014</i>	4-61dd

***Statement of Purpose:***

To establish an Office of the Inspector General to detect and prevent fraud, waste and abuse in state government.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*